

Message Text

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14

ACTION EUR-12

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TAGS: ETRD SW

SUBJECT: U.S./SWEDISH DISCUSSIONS ON GOVERNMENT PROCUREMENT

1. BEGIN SUMMARY. U.S./SWEDISH DISCUSSIONS ON GOVERNMENT PROCUREMENT PRODUCED LITTLE FURTHER ELABORATION OF SWEDISH POSITIONS BUT LAID SOUND FOUNDATION FOR MORE EXTENSIVE MEETING ISSUES AND INITIATIVES BEING DISCUSSED BILATERALLY WITH OTHER COUNTRIES.

2. ON JULY 26 U.S. DEL (POMERANZ, NEWKIRK SHERWOOD) MET WITH SWEDISH OFFICIALS (OLANDER, STALBERG AND HELSTADIUS) TO DISCUSS CURRENT STATUS AND FALL SCENARIO FOR OECD DRAFT CODE ON GOVERNMENT PROCUREMENT. U.S. BEGAN BY OUTLINING RECENT DISCUSSIONS WITH EC COMMISSION AND CANADA ON CODE. WE STRESSED DESIRABILITY OF MOVING AS RAPIDLY AS POSSIBLE ON THIS DRAFT CODE IN ORDER TO RESOLVE AS MANY ISSUES AS POSSIBLE AND TO HAVE AS CLEAN A DOCUMENT AS POSSIBLE FOR TRANSMISSION TO THE GATT THIS WINTER.

WE URGED THAT THE TIME BETWEEN NOW AND THE TRANSMISSION TO THE GATT BE USED TO EXPAND BILATERAL CONTACTS ON THIS
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SUBJECT AND ACHIEVE AS BROAD AN AREA OF AGREEMENT AS

POSSIBLE. SWEDISH DELS RECOGNIZED DESIRE TO MOVE AHEAD ON THIS CODE BUT STATED THAT AT THE PRESENT TIME THEIR EXPERTS ON CODE WERE ABSENT FROM STOCKHOLM. THEY OFFERED TO CAREFULLY NOTE U.S. POSITIONS AND GET BACK TO US AT A LATER DATE WITH MORE DEFINITIVE RESPONSES. THEY ALSO AGREED TO CONSIDER U.S. REQUEST THEY WORK ON EC, CANADIANS AND OTHERS TO INFLUENCE THEM TO ACCEPT PROBLEM SOLUTIONS WE BOTH SEEK (E.G. COVERAGE).

3. SWEDISH DEL INQUIRED AS TO WHETHER OR NOT U.S. HAD FIRMED POSITION ON NON-DISCRIMINATION BELOW THRESHOLD VALUE FOR PURCHASES. THEY STATED THAT SWEDEN NEEDED SOME DEGREE OF FLEXIBILITY IN THE OPERATION OF THIS CODE AND SAW THRESHHOLD AS ONE WAY OF ACHIEVING THIS FLEXIBILITY. U.S. RESPONDED THAT NON-DISCRIMINATION BELOW THRESHHOLD HAD NOT BEEN FINALLY DECIDED IN THE UNITED STATES. WE INDICATED THAT THE DEGREE OF NON-DISCRIMINATION BELOW THRESHHOLD THAT THE U.S. WAS WILLING TO ACCEPT WOULD DEPEND ON OTHER ASPECTS OF THE CODE THAT WOULD INSURE ADEQUATE RECIPROCITY FOR SUCH A POSITION. ON TRANSPARENCY SWEDISH DEL STATED CURRENT PRACTICE IN SWEDEN IS TO INFORM LOSING BIDDER OF THE NAME AND WINNING BID IF HE REQUESTS SUCH INFORMATON. THEY WOULD THEREFORE NOT HAVE ANY DIFFICULTY WITH THE APPROACH NOW BEING DISCUSSED BETWEEN THE U.S. AND THE EC. ON GENERAL DEROGATION CLAUSE SWEDISH DEL AGREED THAT CURRENT IC TEXT PROVIDED MAJOR LOOPHOLE. CONTRARY TO EC POSITION THEY VISUALIZE NO NEED FOR A DEROGATION FOR BALANCE OF PAYMENTS TYPE "CRISIS" SITUATION. ON THE SUPPLIER INFORMATION REQUIREMENTS, SWEDISH HAVE NO DIFFICULTY WITH APPROACH OUTLINED BY U.S. SWEDISH DEL INQUIRED AS TO WHETHER U.S. POSITION ON DISPUTE SETTLEMENT HAD FIRMED UP. WE EXPLAINED U.S. COMMON ELEMENTS APPROACH; DESCRIBED ONGOING WORK IN THIS REGARD; AND, THAT WE ARE STILL CONSIDERING SWEDISH COMPROMISE ON DISPUTE SETTLEMENT. SWEDEN RESPONDED THEY HAD DIFFICULTY FINDING COMMON ELEMENTS. HOWEVER, THEY WERE NOT WILLING TO COME TO A CONCLUSION AT THIS TIME AND SUGGESTED IT MIGHT BE USEFUL TO PURSUE THIS QUESTION BILATERALLY AT A LATER DATE.

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4. COMMENT. ALTHOUGH REVELATIONS OF SWEDISH POSITIONS WERE SOMEWHAT LIMITED BY THE ABSENCE OF THOSE MOST CLOSELY INVOLVED WITH SWEDISH PARTICIPATION IN WORK ON GOVERNMENT PROCUREMENT CODE, DISCUSSIONS DID GIVE A GOOD OVERVIEW OF SWEDISH THINKING. IT WAS CLEAR, HOEVER, THAT THEY HAD NOT BEEN DOING MUCH IN RECENT MONTHS ON THE DRAFT CODE, AND WE ATTEMPTED TO IMPRESS

ON THEM THAT WE HAD HOPED THIS WOULD NOT BE THE CASE IN
THE FALL. THEY SEEMED TO AGREE THAT THE FALL WOULD BE
A GOOD TIME TO TRY TO MOVE AHEAD ON THE CODE AND WOULD DO
THEIR HOMEWORK TO PARTICIPATE TO THE EXTENT POSSIBLE.
WE WOULD SUGGEST THAT ANOTHER BILATERAL MEETING WITH THE
SWEDES BE HELD IN EARLY FALL. END COMMENT.
SHOESMITH

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